

**According to the Central Monetary and Payments Law No. (9) of 2021  
And the provisions of Articles (4), (21), (22), (23) and (34) of the Law  
Regulating Exchange and Remittance Business No. (1) of 2023**

**Co–Presidency of the Central Monetary and Payments Office**

**Resolves:**

**Instructions for permitted and prohibited business for exchange  
companies and offices**

**Article (1)**

**Tariffs**

**Monetary Office:** The Central Monetary and Payments Office for North and East Syria.

**Exchange Business:** Dealing in foreign currencies permitted to be dealt in the markets of the Autonomous Administration regions of North and East Syria, transferring and other permitted business in accordance with the Law Regulating Exchange and Remittance Business No. (1) of 2023 and the regulations and instructions issued pursuant thereto.

**Exchange Company:** The company licensed to practice exchange and remittance business in accordance with the provisions of Article (21) of the Law Regulating Exchange and Remittances No. (1) of 2023 and the instructions issued pursuant thereto.

**Exchange Office:** The office licensed to practice exchange business as specified in the provisions of Article (21) of the Law Regulating Exchange and Remittances No. (1) of 2023 and the instructions issued pursuant thereto.

**Net Working Capital:** The total value of cash balances in safes and funds, balances with other money changers, balances with banks and the value of precious metals.

**Person:** A natural or legal person.

## **Article (2)**

### **Objective and scope of application**

1. The provisions of these instructions aim to regulate the permitted and prohibited business of exchange companies and offices operating in the autonomous administration areas of North and East Syria.
2. The provisions of these Instructions shall apply to exchange companies and offices licensed by the Monetary Office.

## **Article (3)**

### **General Provisions**

All licensed exchange companies and offices must comply with the following:

1. Providing work procedures for all permitted businesses in accordance with the provisions of the Law Regulating Exchange and Remittances No. (1) of 2023 and the provisions of these instructions, and with the requirements of due diligence, identification and verification in accordance with the provisions of the Anti-Money Laundering and Combating the Financing of Terrorism Law in force.
2. Keeping documents and documents related to financial operations for a period of not less than (5) five years from the date of termination of the transaction or the termination of the employment relationship, provided that this is done in an appropriate manner that facilitates reference to them at any time, and in the event of the termination of the employment relationship due to the existence of investigation cases related to money laundering or terrorist financing crimes, the information and documents must be kept until the completion of the investigative case.
3. Commitment to use capital in the permitted exchange business and to maintain the independence of exchange records and exchange business and not to mix them with any other records or business.

4. Compliance with the disclosure of the exchange rates of currencies traded on the price panel or screen at the headquarters and branches of the exchange company or office in a clear place for customers, as well as the disclosure of the value of commissions and fees resulting from other services provided by the exchange company as permitted by the instructions.
5. Record all sales and purchases of currencies and incoming and outgoing remittances on the automated accounting system used and approved by the Monetary Office.

#### **Article (4)**

##### **Permitted business for exchange companies**

Based on the provisions of Article ( 4) and Article (21) of the Law Regulating Exchange and Remittances Business, exchange companies may conduct the following specified business in accordance with the following:

1. Providing the service of buying and selling different currencies to natural or legal persons, provided that the following is adhered to:
  - A. Issuing an official invoice from the automated accounting system used in the exchange company and approved by the cash office, provided that a copy of the invoice is delivered to the customer.
  - B. Obtaining a copy of the identity of natural persons (identity / passport) when carrying out operations equivalent to or exceeding (5,000) five thousand US dollars or its equivalent in other currencies.
  - C. Obtain a copy of the certificate of registration of legal persons when carrying out operations equivalent to or exceeding (5,000) five thousand US dollars or its equivalent in other currencies.
  - D. The value of one transaction shall not exceed the equivalent of the value of the net working capital of the exchange company.

E. Maintaining invoices and documents for the implementation of the sale and purchase of currencies whose value equals or exceeds (5,000) five thousand US dollars or its equivalent in other currencies, as well as documents and transactions for the sale and purchase of various currencies with banks and money changers operating and licensed in the areas of the Autonomous Administration and abroad.

2. Opening and using accounts in different currencies with licensed banks operating in or outside the autonomous management areas according to the following:

A. Open one main account with the trade name of the exchange company recorded in the license issued by the Monetary Office, and not to use the personal name of the license holder, shareholders or employees of the exchange company.

B. Use the account for exchange purposes that are exclusively permitted.

C. The management and execution of financial operations on the bank account of the exchange company shall be exclusively responsible for the authorized signatories of the account.

D. Signing agreements with the banks dealing with them specifying the responsibilities and obligations of each party.

E. Obtain the prior written approval from the Monetary Office before initiating the procedures for opening accounts with banks operating outside the areas of self-administration.

3. Providing the service of financial transfers inside and outside the areas of the Autonomous Administration in accordance with the instructions issued by the Monetary Office.

4. Providing the service of buying and selling unprocessed precious metals, provided that prior written approval is obtained from the Monetary Office and compliance with the following controls and determinants:

- A. Precious metals should be in the form of alloys.
  - B. The bullion shall be duly stamped by the competent official authorities in the areas of self-administration.
  - C. Obtain a copy of the identity card for natural persons (identity / passport), and a copy of the certificate of registration of legal persons for each purchase or sale.
  - D. An official invoice shall be issued for each transaction and recorded on the automated accounting system used.
  - E. The value of a single transaction should not exceed 20% of the net working capital of the exchange company.
5. Any other financial action permitted by the Monetary Office under instructions issued by it for this purpose.

#### **Article (5)**

#### **Permitted business of exchange offices**

Based on the provisions of Article (4) and Article (21) of the Law Regulating Exchange and Remittances Business, exchange offices may practice the following specified business in accordance with the following:

1. Providing the service of buying and selling different currencies from natural or legal persons, provided that the following is adhered to:
  - A. Issuing an official invoice from the automated accounting system used in the exchange office and approved by the cash office, provided that a copy of the invoice is delivered to the customer.
  - B. Obtaining a copy of the identity of natural persons (identity / passport) when carrying out operations equivalent to or exceeding (5,000) five thousand US dollars or its equivalent in other currencies.

- C. Obtain a copy of the certificate of registration of legal persons when carrying out operations equivalent to or exceeding (5,000) five thousand US dollars or its equivalent in other currencies.
- D. The value of one transaction shall not exceed the net working capital of the exchange office .
- E. Maintaining invoices and documents for the implementation of the sale and purchase of currencies whose value equals or exceeds (5,000) five thousand US dollars, as well as documents and transactions for the sale and purchase of various currencies with banks and money changers operating and licensed in the areas of the Autonomous Administration and abroad.
2. Any other financial action permitted by the Monetary Office under instructions issued for this purpose.

### **Article (6)**

#### **Prohibited acts**

Exchange companies and offices are prohibited from practicing any of the following activities:

1. Opening accounts for its clients or accepting deposits or trusts of all kinds or precious metals.
2. Providing credit facilities or direct financing (in all its forms, including loans, credit cards or payment cards), and indirect financing (in all its forms, including guarantees or pledges).
3. Obtaining credit facilities from banks operating outside the areas of self-administration.
4. Obtaining banking facilities from banks operating in the autonomous administration areas without obtaining the prior written approval of the Monetary Office, and the conditions specified in Article (7) of these instructions.

5. Dealing in derivatives, including spot, futures, futures and options contracts for currencies, metals, indices, commodities and other financial instruments for the account of their clients or for the account of any other party.
6. Dealing in foreign exchanges.
7. Selling goods and services in all their forms, with the exception of financial services permitted in accordance with the provisions of these Instructions or any other services permitted under instructions issued by the Monetary Office in this regard.
8. Refrain from selling any foreign currency if available.
9. Any of the partners in the exchange company or office manages other accounts with banks so that their transactions indicate that they are used for exchange purposes.
10. Dealing with exchange practitioners who are not licensed by the Monetary Office.
11. Any other business not provided for in the final license of the exchange company or office.

### Article (7)

#### Conditions and controls for obtaining credit facilities

Exchange companies may obtain credit facilities from licensed banks operating in self-administration areas, provided that:

1. Obtain the prior written approval from the Monetary Office before starting the procedures for obtaining credit facilities.
2. The company must have been licensed and practicing its activities for at least three years.
3. The results of its business for the last fiscal year should be profits.
4. The credit facilities should be in the form of a loan or guarantee for the purposes of business permitted to the exchange company.
5. The facilities must be obtained under the trade name of the exchange company.
6. The facilities should be used for permitted works only.

7. Its value shall not exceed (50%) of the net working capital of the exchange company.
8. It is forbidden to obtain credit facilities guaranteed by shareholders' shares in an exchange company or office.
9. Shareholders of an exchange company and natural persons who own exchange offices may obtain credit facilities in their personal names or guarantee them, provided that such facilities are not used in exchange business.

### **Article (8)**

#### **Anti-Money Laundering and Combating the Financing of Terrorism Requirements**

All licensed exchange companies and offices must comply with the AML/CFT requirements referred to in the AML/CFT Law, especially those related to international and local sanctions.

, in terms of commitment to:

1. Adopting electronic systems to examine the names of customers on international sanctions lists.
2. Immediately suspend dealing and freeze the accounts and operations of the names that are included on the international and local sanctions lists.
3. Examine incoming and outgoing transactions and transfers to verify that the names associated with these transactions are not listed or linked to names listed on international or local sanctions lists.
4. Verify that transactions and transfers carried out for the benefit of its clients are not related to sectors covered by international sanctions.
5. Inform the Anti-Money Laundering and Combating the Financing of Terrorism Directorate at the Central Monetary and Payments Office, immediately and without any delay, of any operations associated or suspected of being associated with names listed on international or local sanctions lists, provided that the report is accompanied by the balances of the transactions that have been frozen in addition to customer files (know your customer form, transaction statements).



## Article (9)

### penalties

Penalties shall be imposed on anyone who violates the provisions of these instructions in accordance with the penalties stipulated in the Law No. (1) of 2023 regulating exchange and remittance business.

## Article (10)

### Implementation, entry into force and transition period

1. All competent authorities in the Autonomous Administrations of North and East Syria, each within its jurisdiction, shall implement the provisions of these Instructions and their provisions shall be applied from the date of their issuance.
2. All exchange companies and offices shall settle their status in accordance with the provisions of these Instructions from the date of their issuance and publication.

Issued in Raqqa

On ..../...../2023.

Co-Presidency of the Central Monetary and Payments Office

Dr. Mohamed Ahmed